IncomeShares
by Leverage Shares

IncomeShares Guidebook

Income
as the Outcome

IncomeShares exchange-traded products (ETPs) aim to generate monthly income by selling options on popular investments, while maintaining some upside exposure to those assets. With dividends under pressure and bond yields unpredictable, consistent income has become harder to find.

The passive income problem

Stocks
Low Yield

Growth and tech stocks typically pay little to no dividends.

Real Estate
Not 'Passive'

Rental income comes with costs, effort, and illiquidity issues.

Commodities
No Yield

Gold, silver, and other metals pay no income at all.

Bonds
Rate Sensitive

Income alone may not offset rate-driven price moves.

Introducing IncomeShares

Access to strategies that blend core exposures with an actively managed options strategy, potentially offering lower volatility and high income.

Covered Call Strategies

Holds the asset to benefit from partial upside. → **Sells call options** to earn income. →

Cash-Secured Put + Equity Strategies

Holds cash and equity in the underlying assets. → **Sells put options** to earn income. →

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Maximize income potential selling options, with exposure to the asset's price moves.

What are **options**?

Options give the buyer the right – but not the obligation – to buy (call) or sell (put) an asset at a fixed price, called the **strike price**.

The buyer can exercise the option **on or before the expiration date *.**

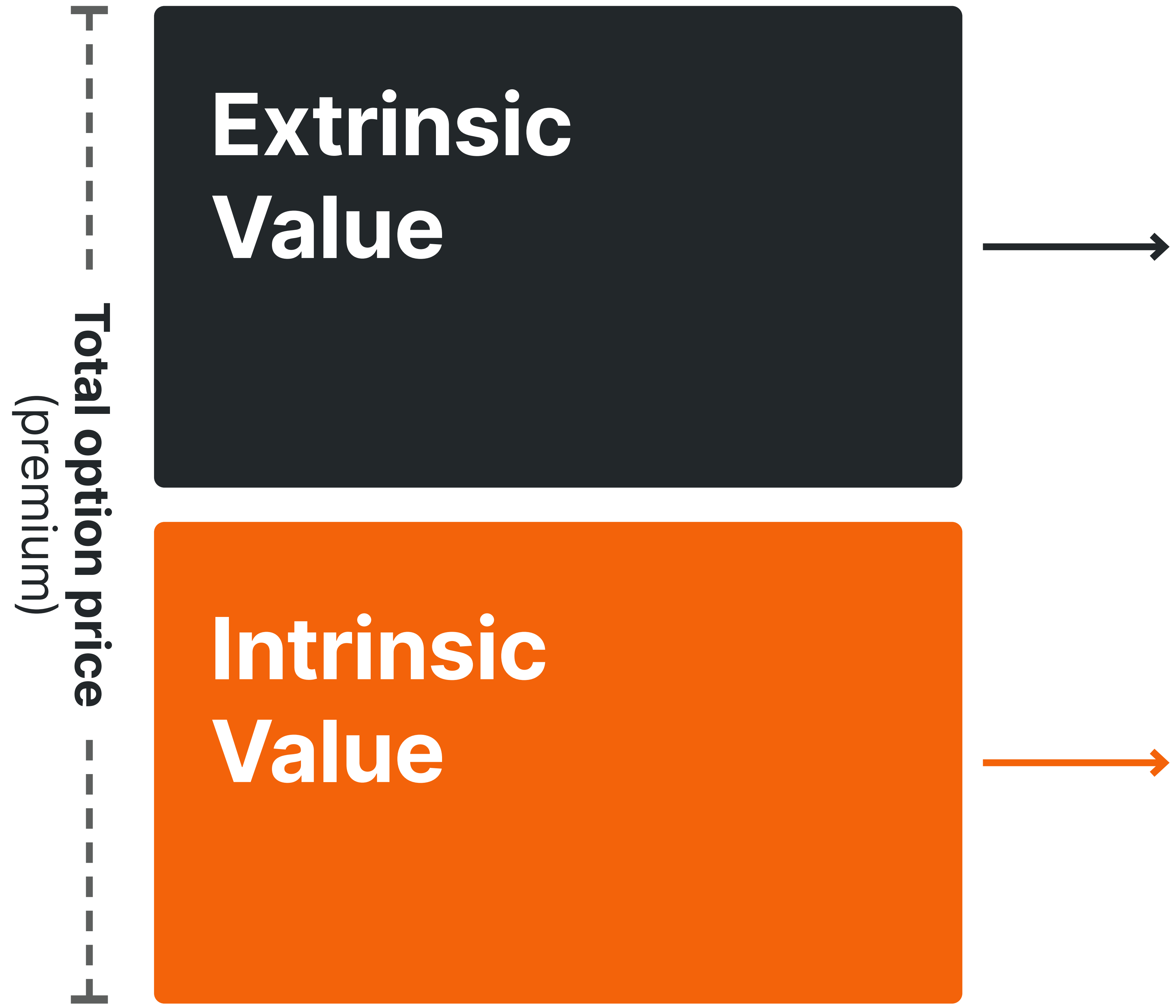
If they do, the option seller must complete the transaction.

Options are commonly used to:

- Hedge against price movements
- Speculate on market direction
- Earn income by selling options (to collect option premiums)

***American style options**

Intrinsic vs extrinsic value – and options income



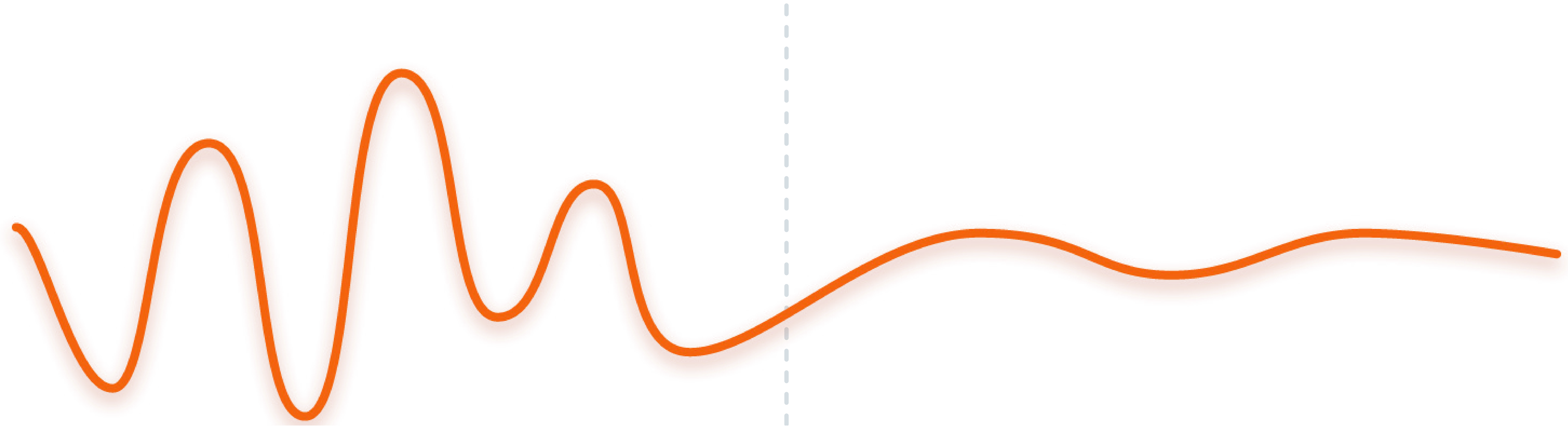
Extrinsic value (income portion): The extra amount buyers pay on top of intrinsic value, because the option still has time until expiry to become profitable. This portion is the “time value” – and it’s the part our ETPs may pay out as income.

Intrinsic value (built-in value): The value if the option is already in the money – the option’s strike is better than the underlying asset’s current market price. Not paid out as income.

In IncomeShares ETPs, only extrinsic value is paid out as income to investors. Intrinsic value is tied to the asset price and does not contribute to the income you keep.

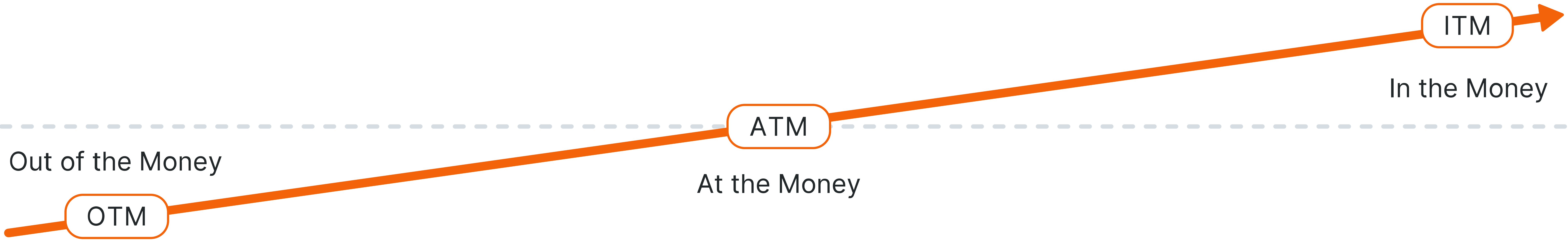
What affects the income generated by the ETP?

HIGHER VOLATILITY = HIGHER PREMIUMS	LOWER VOLATILITY = LOWER PREMIUMS



More volatile assets tend to generate higher premiums – but may have greater downside risk.

Option **moneyness**



Moneyness	PREMIUMS	REASON
Out of the Money | **OTM**	**Lower premiums** than ATM or ITM options.	**Highest chance** of the option expiring worthless.
At the Money | **ATM**	**Higher premium**s than OTM but **lower** than ITM.	**Equal chance** of the option expiring worthless or ITM.
In the Money | **ITM**	**Higher premiums** than ATM or OTM.	Option is **already above the strike price (call)** or **below the strike price (put)** and can be exercised.

Percentage of portfolio covered

Higher coverage

Maximum
premium income.

Lower
participation in stock upside.

Lower coverage

Minimum
premium income.

Higher
participation in stock upside.

IncomeShares ETPs aim to maximise income by selling call or put options. They also aim to retain some upside participation in the underlying assets – depending on market conditions.

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Covered Call Strategies

Capital at risk. For professional investors only

What is a covered call options strategy?

Also known as a "buy–write" strategy, a covered call is a two-part options strategy:

Buy asset

Buy the asset or already own it.

Write (sell) call option

Sell call options on the asset.

What are the potential benefits?

1

Earn income from selling call options.

2

Keep upside if the asset rises – up to the strike price.

3

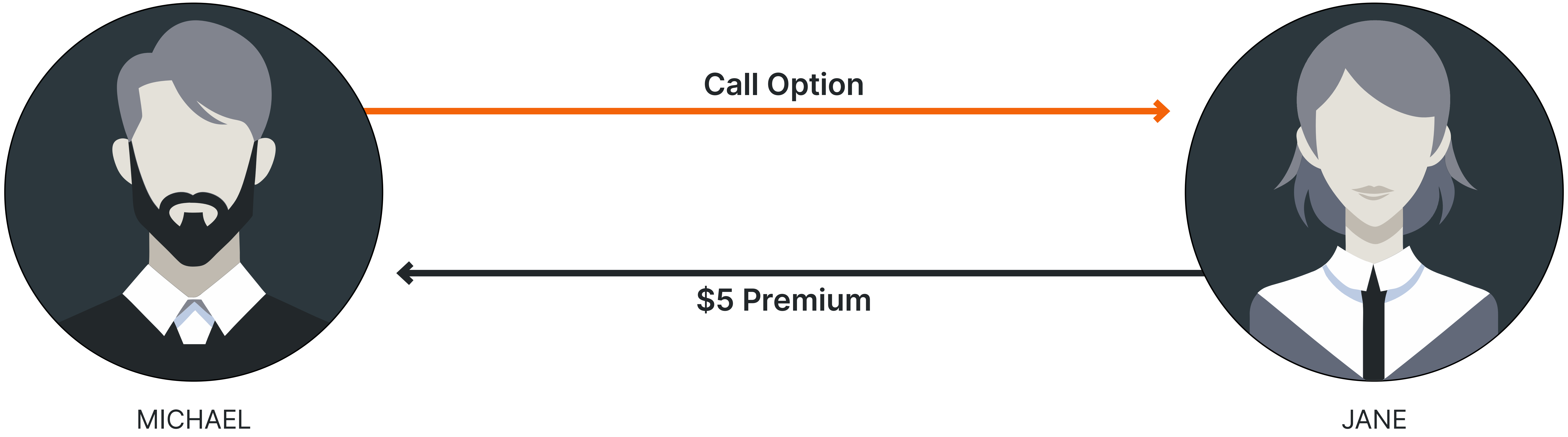
Reduce downside risk using the premium received.

Covered call example: At contract initiation

ASSUMPTION:

GLD (SPDR® Gold Shares)
is currently trading at **$300.**

Jane buys a GLD call option from Michael
for a **premium of $5** per share, with a **strike price of $310**.



Covered call example: At contract expiration

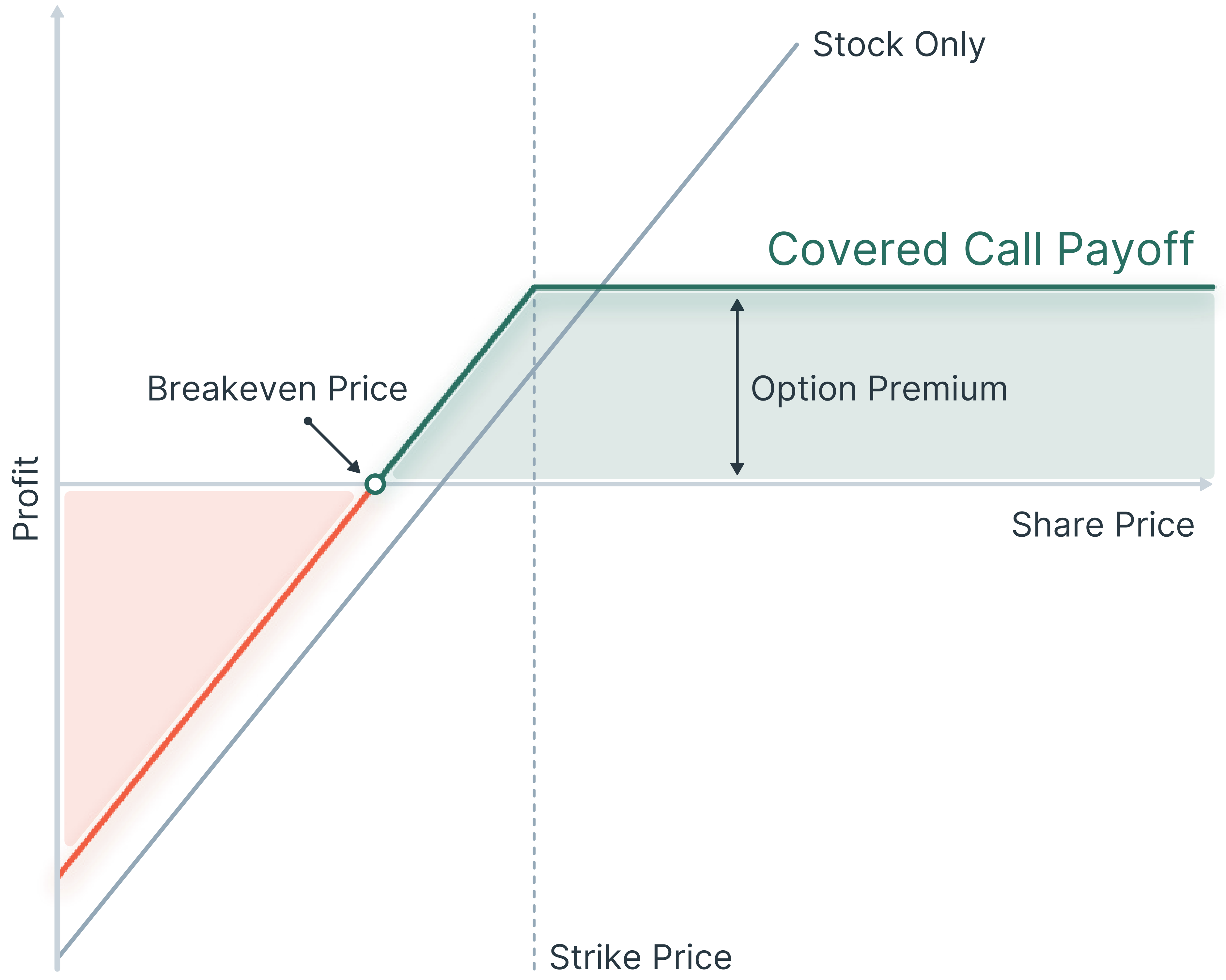
Strike price: $310

Potential scenarios	MICHAEL	JANE
GLD price rises above $310	Must sell his GLD shares for the $310 strike price, which is less than the market price. He gives up any upside above the strike – **but keeps the $5 option premium received up front** from selling the call.	**Has the right to buy Michael's GLD shares at $310.** She exercises her option and pockets the difference between the strike price and the market price.
GLD price is exactly at $310	**Keeps the $5 premium regardless** of whether Jane exercises the option to buy Michael's GLD shares.	**No incentive to exercise the option** – she can buy the shares at the same price in the open market.
GLD price falls below $310	**Keeps both** his GLD shares and the $5 premium.	**No incentive to exercise the option** – she can buy the shares in the open market for a lower price.

Covered call risk profile

The seller of a covered call **limits the upside potential** of their stock position in exchange for collecting the premium received from selling the call option.

A covered call is also considered a defensive strategy, as **stock losses are partially offset by the premium received.**



Covered call market scenarios

Bull Market

Investor likely underperforms the market as they keep the option premium but give up some of the upside.

Bear Market

Investor likely outperforms from the premium received, which slightly offsets some of the stock's decline.

Flat/Choppy Market

Investor likely outperforms as the market remains flat, while the investor keeps the premium from selling the call option.

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Cash-Secured Put + Equity Strategies

Capital at risk. For professional investors only

What is a cash-secured put + equity strategy?

A cash-secured put + equity strategy aims to generate income from selling put options, while holding some upside exposure to the underlying asset.

If the asset price drops, the put seller may need to buy more shares – at an effective discount. If the price rises, the seller keeps the option premium, which adds income on top of any equity gains.

Hold cash and shares

Keep some equity exposure, with cash on hand to buy more if the price falls.

Write (sell) put options

Sell puts to collect option premiums.

What are the potential benefits?

1

Earn income from selling put options.

2

Keep some upside if the underlying asset price rises.

3

Reduce downside risk using the premium received.

Cash-secured put + equity market scenarios

Bull Market

Investor likely underperforms the market. Holds some stock and earns income from selling puts – but won't benefit from all the upside if they don't hold a full position.

Bear Market

Investor likely outperforms. Income from selling puts helps cushion losses on the shares held.

Flat/Choppy Market

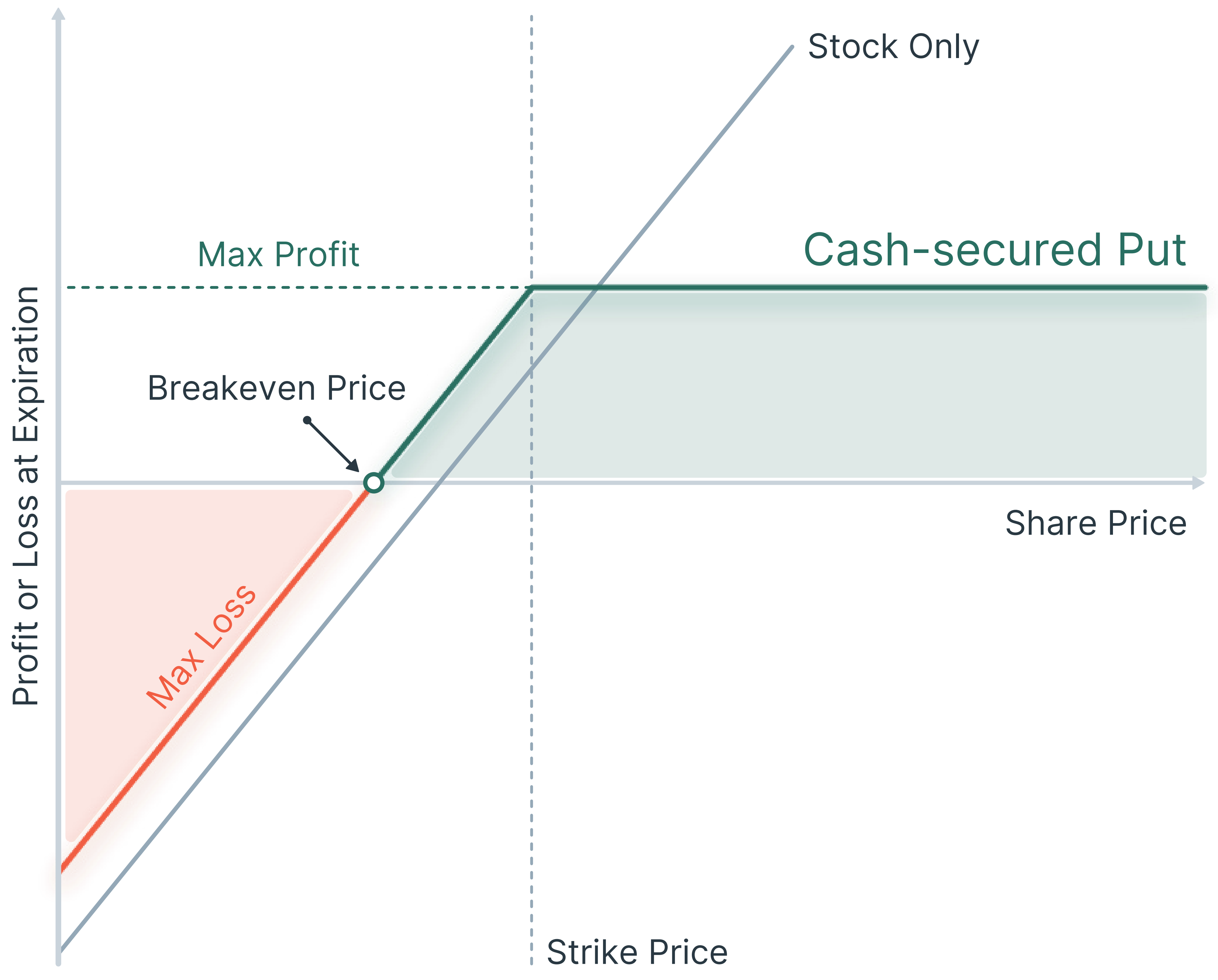
Investor likely outperforms. The stock doesn't move much, but income from selling puts boosts overall return.

Cash-secured put risk profile

Selling put options using cash as collateral is considered a conservative income strategy. The premiums received provide a buffer against potential price declines – reducing the effective purchase price if the option is exercised.

This strategy allows investors to earn income while preparing to buy the asset at a potentially lower, pre-agreed price.

Note: Some strategies also include holding a portion of the asset for upside exposure.



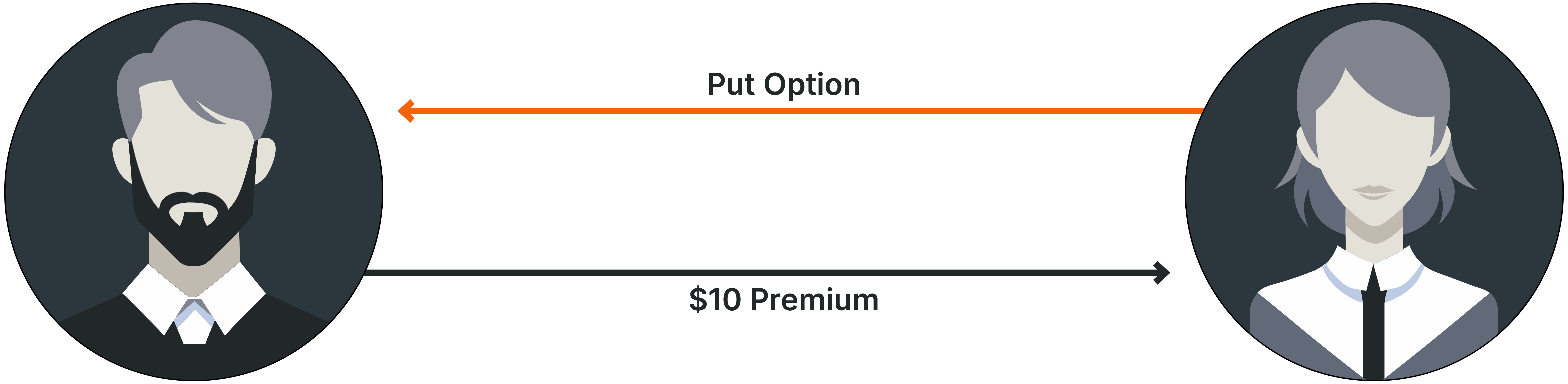
In IncomeShares ETPs, the puts sold are in-the-money (ITM). This provides partial equity exposure and generates income, with a payout profile similar to an out-of-the-money covered call.

Cash-secured put example: At contract initiation

ASSUMPTION:

Tesla (TSLA) stock
is currently at **$300.**

Jane sells a put option with a **strike price of $310**, which is just above the current market price. Michael buys this put option, paying Jane a **$10 premium per contract**. Jane holds cash set aside to buy the stock if the price falls below the strike price.



MICHAEL JANE

Cash-secured put example: At contract expiration

Strike price: $310

Potential scenarios	MICHAEL	JANE
Tesla stock remains at **$300**	**Exercises the put option**, selling Tesla stock to Jane at $310 – gaining the difference between the strike price and market price, minus the $10 premium paid.	**Jane purchases** Tesla at $310, but the $10 premium reduces her effective purchase price to $300.
Tesla stock rises above **$310**	**Does not exercise the put option** since the market price is above the strike price. The option expires worthless, and Michael loses the $10 premium paid.	Put option expires worthless. Jane pockets the $10 premium and **does not have to buy** the stock.
Tesla stock falls to **$290**	**Exercises the put option**, selling Tesla stock to Jane at $310, which is higher than the market price of $290.	**Jane purchases** Tesla at the strike price. After accounting for the premium, her unrealised loss is the difference between $300 and the current market value of $290.

IncomeShares Strategies Compared

Feature	Covered Call Strategy	Cash-Secured Put + Equity Strategy
Income strategy	Sell call options	Sell put options
Equity exposure	Holds some shares	Holds some shares, plus cash to buy more if needed
Upside potential	Fully capped above strike price	Not capped (equity may keep rising)
If stock falls	Call income may help offset share losses	Put income may help offset losses. May buy more shares and benefit if price rebounds

Why consider IncomeShares ETPs?

IncomeShares ETPs are Europe's first option-based ETPs targeting individual assets.

Income	Generate additional income on your existing stock holdings. This strategy may be appealing in flat or slightly bullish market conditions where the stock price might not significantly appreciate on its own.
Downside Protection	The premiums received from selling call or put options may provide a cushion against stock price declines. This creates a slightly defensive position, allowing you to hold onto stocks through volatile periods.
Diversified Yield	Aims to deliver attractive yield with a lower correlation to traditional sources of income and their risks.

IncomeShares ETPs

	ETP	Ticker $	Ticker £	Ticker € (Xetra)	Ticker € (Euronext)	Strategy	Expense Ratio
Single Stocks	IncomeShares Alibaba Options ETP	BABY	BABI	BABY	BABY	Cash-secured put + equity	0.55%
	IncomeShares Alphabet Options ETP	GOOI	GOOO	IGOG	GOOY	Cash-secured put + equity	0.55%
	IncomeShares Amazon Options ETP	AMZI	AMZD	OAMZ	AMZY	Cash-secured put + equity	0.55%
	IncomeShares AMD Options ETP	YAMD	AMDI	YAMD	AMDY	Cash-secured put + equity	0.55%
	IncomeShares Analog Devices Options ETP	ADIY	YADI	ADY1	ADIY	Cash-secured put + equity	0.55%
	IncomeShares Apple Options ETP	AAPY	AAPI	AAPY	AAPY	Cash-secured put + equity	0.55%
	IncomeShares Applied Materials Options ETP	AMAY	YAMA	AMY1	AMAY	Cash-secured put + equity	0.55%
	IncomeShares ARM Options ETP	ARMI	YARM	ARMY	YARM	Cash-secured put + equity	0.55%
	IncomeShares ASML Options ETP	ASMY	YASM	YAS1	ASMY	Cash-secured put + equity	0.55%
	IncomeShares Berkshire Hathaway Options ETP	BRKY	YBRK	BRBY	BRKY	Cash-secured put + equity	0.55%
	IncomeShares Bitmine Options ETP	BMNY	YBMN	BMBY	BMNY	Cash-secured put + equity	0.55%
	IncomeShares Broadcom Options ETP	AVGY	AVGI	YAVG	AVGY	Cash-secured put + equity	0.55%
	IncomeShares Circle Internet Options ETP	CRCY	YCRC	CILY	CRCY	Cash-secured put + equity	0.55%
	IncomeShares Coinbase Options ETP	COIY	COII	COIY	COIY	Cash-secured put + equity	0.55%
	IncomeShares CoreWeave Options ETP	CRWY	YCRW	CRWY	CRWY	Cash-secured put + equity	0.55%
	IncomeShares Galaxy Digital Options ETP	GLXY	YGLX	GLAY	GLXY	Cash-secured put + equity	0.55%
	IncomeShares Intel Options ETP	INTY	YINT	IYNY	INTY	Cash-secured put + equity	0.55%
	IncomeShares IREN Options ETP	IREY	YIRE	IN6Y	IREY	Cash-secured put + equity	0.55%
	IncomeShares Lam Research Options ETP	LRCY	YLRC	LRHY	LRCY	Cash-secured put + equity	0.55%

IncomeShares ETPs

IncomeShares Mara Options ETP	MARY	YMAR	MRA1	MARY	Cash-secured put + equity	0.55%
IncomeShares Marvell Technology Options ETP	MRVY	YMRV	MRVY	MRVY	Cash-secured put + equity	0.55%
IncomeShares META Options ETP	METY	METI	METY	METY	Cash-secured put + equity	0.55%
IncomeShares Micron Options ETP	MUIY	YMUI	MUCY	MUIY	Cash-secured put + equity	0.55%
IncomeShares Microsoft Options ETP	MSFY	MSFI	YMSF	MSFY	Cash-secured put + equity	0.55%
IncomeShares MicroStrategy Options ETP	YMST	MSTI	MSTI	MSTI	Cash-secured put + equity	0.55%
IncomeShares Netflix Options ETP	NFLY	YNFL	NFLY	NFLY	Cash-secured put + equity	0.55%
IncomeShares NVIDIA Options ETP	NVDI	NVDD	ONVD	NVDY	Cash-secured put + equity	0.55%
IncomeShares Oracle Options ETP	ORCY	YORC	ORAI	ORCY	Cash-secured put + equity	0.55%
IncomeShares Palantir Options ETP	PLTY	PLTI	PLTY	PLTY	Cash-secured put + equity	0.55%
IncomeShares QUALCOMM Options ETP	QCOY	YQCO	QUOY	QCOY	Cash-secured put + equity	0.55%
IncomeShares Riot Options ETP	RIOY	YRIO	ROTY	RIOY	Cash-secured put + equity	0.55%
IncomeShares Robinhood Options ETP	HOOY	YHOO	HDYI	HOOY	Cash-secured put + equity	0.55%
IncomeShares SpaceX Options ETP	ELNY	MSKY	ELNY	ELNY	Cash-secured put + equity	0.55%
IncomeShares Super Micro Computer Options ETP	SMCY	YSMC	SMCY	SMCY	Cash-secured put + equity	0.55%
IncomeShares Taiwan Semiconductors Options ETP	TSMY	YTSM	TSMY	TSMY	Cash-secured put + equity	0.55%
IncomeShares Tesla Options ETP	TSLI	TSLD	TSLI	TSLY	Cash-secured put + equity	0.55%
IncomeShares Texas Instruments Options ETP	TXNY	YTXN	TXNY	TXNY	Cash-secured put + equity	0.55%
IncomeShares UnitedHealth Options ETP	UNHY	YUNH	UHLI	UNHY	Cash-secured put + equity	0.55%

IncomeShares ETPs

Diversified	IncomeShares 60/30/10 Multi-Asset Balanced ETP	MLTY	MLTI	MLAY	MLTY	Portfolio of multi-asset income strategies	0.45%
	IncomeShares 75/10/15 Multi-Asset Growth ETP	GRWY	GRWI	MSTY	GRWY	Portfolio of multi-asset income strategies	0.00%
	IncomeShares Artificial Intelligence Leaders ETP	ARIY	YARI	ARDY	ARIY	Basket of income strategies on leading AI stocks	0.45%
	IncomeShares Blockchain Leaders ETP	BLCY	YBLC	BCKY	BLCY	Basket of income strategies on leading blockchain stocks	0.45%
	IncomeShares Eurostoxx 50 Options ETP	ESXY	YESX	ESXY	ESXY	Cash-secured put + equity	0.55%
	IncomeShares Magnificent 7 Options ETP	MAGO	MAGD	7MAG	MAGY	Cash-secured put + equity	0.45%
	IncomeShares Memory Options ETP	DRMY	YDRM	DRMY	DRMY	Cash-secured put + equity	0.55%
	IncomeShares Nasdaq 100 Options ETP	QQQY	QQQO	QQQY	QQQY	Cash-secured put + equity	0.45%
	IncomeShares S&P500 Options ETP	SPYY	SPYO	DSPY	SPYY	Cash-secured put + equity	0.45%
	IncomeShares Semiconductors Leaders ETP	YSEM	ISEM	ISDY	SEMY	Basket of income strategies on leading semiconductors stocks	0.45%
Commodity	IncomeShares Copper Miners+ Yield ETP	CPRY	YCPR	CPRY	CPRY	Cash-secured put + equity	0.35%
	IncomeShares Gold Miners+ Yield ETP	GLMY	YGLM	GLMY	GLMY	Cash-secured put + equity	0.35%
	IncomeShares Gold+ Yield ETP	GLDI	GLDE	YGLD	GLDY	Covered call	0.35%
	IncomeShares Silver Miners+ Yield ETP	SLMY	YSLM	SVLY	SLMY	Cash-secured put + equity	0.35%
	IncomeShares Silver+ Yield Options ETP	SLVY	SLVI	YSLV	SLVY	Covered call	0.35%
	IncomeShares Uranium+ Yield ETP	URNY	YURN	URAI	URNY	Cash-secured put + equity	0.35%
	IncomeShares WTI Oil+ Yield ETP	WTIY	YWTI	WOIY	WTIY	Cash-secured put + equity	0.35%
Bonds	IncomeShares 20+ Year Treasury Options ETP	TLTY	TLTI	TLTY	TLTY	Covered call	0.55%

Risk Disclosure

The value of an investment in ETPs may go down as well as up and past performance is not a reliable indicator of future performance.

Securities issued by the Issuer are products involving a significant degree of risk and may not be suitable for all types of investor. Any decision to invest should be based on the information contained in the prospectus of the Issuer (or any supplements thereto) which includes, inter alia, information on certain risks associated with an investment. The price of any securities may go up or down and an investor may not get back the amount invested. Securities are priced in US Dollars/Euros/ Pounds and the value of the investment in other currencies will be affected by exchange rate movements.

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Investors should be aware that the Interest Amounts for each Interest Payment Date may vary depending on the amount of Available Receipts with respect to each Interest Payment Date. Accordingly, there is no assurance that any amount will be received by ETP Securityholders on any Interest Payment Date.
Furthermore, Investors should be aware that to the extent an Interest Amount is paid by the Issuer, declaration of such payment will cause a corresponding decrease in the ETP Security Value on the relevant Interest Ex Date.

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